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REGULATION

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CLAIMS FOR LOSS OF PRIVATELY OWNED PROPERTY

Rescission: CFR [ ] dated 26 April 1951  
CFR [ ] dated 10 August 1951  
CIA Regulation [ ] dated 27 April 1951

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SYNOPSIS: This regulation establishes the policies, responsibilities, authority, and procedures whereby Agency employees may submit claims for privately owned property damaged, lost, destroyed, captured, or abandoned due to emergencies or other special circumstances directly related to service with the Agency, but not due to normal travel occurrences or normal local conditions.

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1. GENERAL

The application of this regulation is limited to those circumstances where security or cover considerations preclude submission of a normal claim either to the Government or to a private entity who would otherwise be liable for damages.

2. AUTHORITY

a. CLAIMS BOARD

The headquarters Board of Survey (see R [ ] paragraph 4d) acts as a Claims Board for the review of all claims submitted under the provisions of this regulation.

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b. DEPUTY DIRECTOR (SUPPORT)

The Deputy Director (Support) is authorized and responsible for:

- (1) Approving or disapproving claims not in excess of \$5,000 and returning files of such claims to the Claims Board.

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- (2) Recommending action to the Director on claims in excess of \$5,000.

## 3. SUBMISSION OF CLAIMS

- a. Only those persons rendering service in an employee status or their survivors, including contractual individuals, insofar as their contracts permit, may submit claims under this regulation.
- b. No claim will be considered under the provisions of this regulation unless presented to the Claims Board in writing within one year after the occurrence of the incident out of which the claim arises. This requirement may be waived by the Claims Board upon submission of a satisfactory explanation of delay.
- c. Claims will be submitted through administrative channels to the appropriate headquarters office. After review by the Operating Official to ensure completeness of file and conformity to regulations, the complete file will be forwarded to the Claims Board with formal comments and recommendations including sufficient information to justify the claim being handled within the purview of paragraph 1 above.

## 4. PAYMENT OF CLAIMS

- a. Claims are payable under the provisions of this regulation only to the extent that possession of the property, both as to type and quantity, shall be considered by the Claims Board as reasonable, useful, necessary, or proper under the attendant circumstances.
- b. Claims otherwise within the scope of this regulation are not payable when the damage, loss, destruction, capture, or abandonment involves any of the following classes of property or when losses occur under any of the following circumstances:
  - (1) Money or currency in excess of any amount deemed appropriate for immediate personal needs.
  - (2) Intangible property. This includes choses in action, or evidence thereof, such as bank books, checks, promissory notes, stock certificates, bonds, bills of lading, warehouse receipts, baggage checks, insurance policies, money orders, and traveler's checks.
  - (3) Precious articles. This includes precious jewels and other precious articles of extraordinary value. The Claims Board may

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at its discretion make allowances for expensive articles based upon fair and reasonable prices for substitute articles appropriate for the claimant under the particular circumstances of his employment.

- (4) Souvenirs, war trophies, luxuries, articles acquired to be sold, and articles of only sentimental value.
- (5) Business property. This is property normally used for business or profit.
- (6) Negligence of claimant. This means the damage, loss, destruction, capture, or abandonment was caused in whole or in part by any negligence or wrongful act on the part of the claimant, or by his agent.
- (7) Violation of directives. No allowance will be made for any item where the evidence indicates that the acquisition, possession, or transportation thereof was in violation of Agency directives.
- (8) Damage to privately owned automobiles authorized for and being used on official business wherein reimbursement on a mileage basis is made to the individual by the Government; except in those cases where security or cover considerations preclude submission of a normal claim to a private entity or the individual's insurance carrier who would otherwise be liable for damages. (Reimbursement by the Government on a mileage basis includes the cost to the individual owner of depreciation, normal repairs, insurance, and operating expenses.)

## 5. RESPONSIBILITIES

### a. CLAIMANTS

Claimants are responsible for including the following information in a claim:

- (1) Name of claimant and office to which he is assigned;
- (2) The date, place, facts and circumstances surrounding the damage to or loss, destruction, capture, or abandonment of the privately owned personal property;

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- (3) A statement that the damage, loss, destruction, capture, or abandonment was not caused in whole or in part by any negligence on the part of the claimant, or his agent or employee;
- (4) A statement that none of the property has been recovered by the claimant, and that if any of the property for which claim is made is later recovered, claimant agrees to give immediate written notice to the Claims Board, and also to refund any payment made by CIA for such property;
- (5) A statement that the damage, loss, destruction, capture, or abandonment was not covered by insurance or that the employee has not been permitted to file claim because of security considerations;
- (6) An itemized list of property, including the following information for each article:
  - (a) Quantity,
  - (b) Name or description of article,
  - (c) Month and year of purchase or other acquisition,
  - (d) Condition when lost or damaged (new, excellent, good, fair, or poor),
  - (e) Purchase price or value at time of acquisition,
  - (f) Amount claimed (value when lost, or cost of repairs substantiated by two estimates or suitable justification when such cannot be obtained), and
  - (g) Affidavits of knowledgeable witnesses if possible.
- (7) Identification of the allotment to be charged for the loss claim; the allotment account of the Agency component or project to which the claimant is assigned shall apply for this purpose.
- (8) A statement indicating that claimant knows of the penalty for fraudulent claims, which is a fine of not more than \$10,000 or imprisonment for not more than five years, or both (18 USCA 287).
- (9) Signature of claimant.

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b. THE CLAIMS BOARD

The Claims Board is responsible for the following determinations and actions:

- (1) The Claims Board shall review each claim and determine whether possession of the property both as to type and quantity is reasonable, useful, necessary, or proper under the attendant circumstances.
  - (a) In making this determination, the Claims Board may take into consideration an individual's recreational desires, the nature of his duties with the Agency, and any other factors which may be appropriate.
  - (b) In determining whether possession of property was reasonable, useful, necessary, or proper, the Claims Board shall not conclude, simply because a claimant was permanently assigned to an overseas station, that he may possess any type or amount of property he may desire; but in order to be reimbursed for loss, possession of the property must be reasonable, useful, necessary, or proper.
- (2) The Claims Board may, in its discretion, require the submission of any type or quantity of evidence (including oral testimony) deemed necessary to process any claim.
- (3) Make all other determinations required by this regulation.
- (4) With the assistance of the Office of the Comptroller, determine the fair value of each claim by applying depreciation at the rates set forth in the Schedule of Depreciation Rates (figure 1).
- (5) The Claims Board may, in its discretion, recommend the replacement in kind of any or all articles damaged, lost, destroyed, captured, or abandoned. Such replacement shall be in lieu of a cash payment for the said article or articles.
- (6) Forward each claim receiving favorable consideration by the Board to the Deputy Director (Support) with a recommendation.

6. DISPOSITION OF CLAIMS

- a. Claims rejected by the Claims Board as not meeting the requirements of this regulation or claims disapproved by the Deputy Director (Support) will be returned to claimant through channels and will

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contain an explanation as to why claim was rejected or disapproved by the proper authority.

- b. Claims approved by the Deputy Director (Support) will be forwarded to the Comptroller for payment.

7. APPEAL

In cases where a claim has been rejected or disapproved, the individual may appeal, in writing, to the Director, through the Claims Board, within 60 days after receipt of notification that claim has been rejected or disapproved.

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**SCHEDULE OF DEPRECIATION RATES  
FOR USE IN COMPUTING DEPRECIATION**

**GROUP I**

Rapidly depreciating items such as most clothing, including shoes, and other items composed of rapidly deteriorating forms of cloth, paper, or other such materials. All items which by reason of style or use have a normal life expectancy of 5 years or less.

**Rate of Depreciation**

- (1) Used Items - 20% for each year since date of acquisition, but not to exceed a total of 70%. When appropriate, depreciation due to style changes or obsolescence will be made in conformity with special circumstances surrounding the particular claim.
- (2) New Unused Items - 10% for each year since date of acquisition, but not to exceed a total of 70%.

**GROUP II**

Slowly depreciating items such as clocks, costume jewelry, flashlights, leather luggage, fountain pens, golf, tennis and other such sports equipment, lighters, perfumes, radios, razors, spectacles, watches, and other items composed of, or combined with, metal, wood, glass, plastics, composition fiber, or leather.

**Rate of Depreciation** - 10% for each year since date of acquisition, but not to exceed a total of 60%.

**GROUP III**

Durable items such as binoculars, and similar optical goods, cameras, and camera equipment, china, glassware, guns, military insignia, musical instruments, professional instruments, sterling silver, and other items, if treated with ordinary care, depreciate at a very slow rate.

**Rate of Depreciation** - 5% for each year since date of acquisition, but not to exceed a total of 50%.

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#### GROUP IV

xpendable items such as cigarettes, cosmetics (except perfumes), razor blades, soap, stamps, and all toilet articles and like items which are consumed by use and do not deteriorate prior to consumption.

Rate of Depreciation - No depreciation will be computed for this type property.

#### GROUP V

fine linens, objects of art, fine vases, and oriental and other fine rugs. The value of these items is to be determined individually on the particular facts of the case subject to the limitations of paragraph 4b(3) of this regulation.

#### APPLICATION OF DEPRECIATION SCHEDULES

- (1) If the loss occurred within the first six months after acquisition of a new item, deduct one-half of a normal year's depreciation.
- (2) If the loss occurred between six months and one year after acquisition, deduct a full year's depreciation.
- (3) If the loss occurred after the first year of acquisition, deduct a year's depreciation for each full year or major portion thereof.

#### DEPRECIATION

No allowance will be made for appreciation. The amount allowed will never exceed the original cost of the article to the claimant or, if not purchased by him, the value thereof at the time of acquisition.